

February 15, 2012

**ITEM NO. B1**

**AUTHORIZATION TO EXECUTE INDEFINITE QUANTITY INDEFINITE DELIVERY TASK ORDER CONTRACTS WITH ALL CHICAGO, INC., APEX CONSTRUCTION GROUP, BLINDERMAN CONSTRUCTION CO., INC., BROWN AND MOMEN, INCORPORATED, COLEMAN DEVELOPMENT CORPORATION, CORDOS DEVELOPMENT & ASSOCIATES, DONE RITE CONSTRUCTION SERVICES, INCORPORATED, FRIEDLER CONSTRUCTION COMPANY, GIBRALTAR CONSTRUCTION CO. INC., KOAL ENTERPRISES, INC., MADISON CONSTRUCTION COMPANY, MAXWELL SERVICES INC., OAKK CONSTRUCTION CO., INC., OAKLEY CONSTRUCTION CO., INC., OLD VETERAN CONSTRUCTION, INC., POWERS & SONS CONSTRUCTION COMPANY, INC., TROPIC CONSTRUCTION CORPORATION AND WATERSIDE DEVELOPMENT, LLC FOR GENERAL CONTRACTOR SERVICES - CHA WIDE**

To the Honorable Board of Commissioners:

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to execute eighteen (18) Indefinite Delivery, Indefinite Quantity Task Order contracts for construction services at various Chicago Housing Authority ("CHA") properties with All Chicago, Inc., Apex Construction Group, Blinderman Construction Co., Inc., Brown and Momen, Incorporated, Coleman Development Corporation, Cordos Development & Associates, Done Rite Construction Services, Incorporated, Friedler Construction Company, Gibraltar Construction Co. Inc., Koal Enterprises, Inc., Madison Construction Company, Maxwell Services Inc., Oakk Construction Co., Inc., Oakley Construction Co., Inc., Old Veteran Construction, Inc., Powers & Sons Construction Company, Inc., Tropic Construction Corporation and Waterside Development, LLC, each for an amount not-to-exceed \$1,500,000.00, with a base term of two (2) years. The CHA may extend these Contracts for one (1) one-year renewal option, subject to approval by the CHA Board of Commissioners. Each contract will have a guaranteed minimum of \$50,000.00. An additional \$53,000,000.00 will be set aside as reserve capacity from which funds can be allocated to well performing firms at the discretion of the Contracting Officer. The total aggregate amount of the eighteen (18) contracts and the reserve capacity fund is not-to-exceed \$80,000,000.00.

**FUNDING**

Funding: General Fund

Specification Number:	RFP 11-00783
Contract Type:	Construction Services
Contract Time:	Two (2) Base Years (2012-2013) plus One (1) One-Year Option (2014)
Date Advertised:	August 3, 2011

Pre-Proposal Conference: August 12, 2011  
 Addendum No. 1 Issued: September 1, 2011  
 Addendum No. 2 Issued: December 23, 2011  
 Date Proposals Opened: September 12, 2011  
 Advertisement Publication(s): Chicago Sun-Times  
 Chicago Defender  
 El Dia  
 CHA website  
 BuySpeed Online  
 Number of Vendors Solicited: 718 (including 237 MBE firms & 95 WBE firms)  
 Number of Assist Agencies: 64  
 Number of Pick-ups: 164 (including 23 MBE firms & 8 WBE firms)  
 Number of Proposals Received: 21 (including 7 MBE firms & 2 WBE firms)

RECOMMENDED FIRMS	
All Chicago, Inc. Sitara Khan, President 4100 W. Belmont Ave. Chicago, IL 60641 (773) 777-4141 \$ 1,500,000.00 NTE	Koal Enterprises, Inc. Constantino Nitchoff, President/Owner 6120 S. Archer Road Summit, IL 60501 (708) 594-9425 \$ 1,500,000.00 NTE
Apex Construction Group Valentino Caushi, President 5910 N. Cicero Ave., Suite 507 Chicago, IL 60646 (773) 457-7244 \$ 1,500,000.00 NTE	Madison Construction Company Harry L Waider, Jr., Executive VP 15657 South 70 <sup>th</sup> Court Orland Park, IL 60462 (708) 535-7791 \$ 1,500,000.00 NTE
Blinderman Construction Co., Inc. David Blinderman, President 8501 W. Higgins Road, Suite 320 Chicago, IL 60631 (773) 444-0500 \$ 1,500,000.00 NTE	Maxwell Services, Inc. Antonia Tienda, President/Owner 3130 S. Kolin Ave. Chicago, IL 60623 (773) 521-6388 \$ 1,500,000.00 NTE
Brown and Momen, Incorporated Ernest Brown, President & CEO 823 E. Drexel Square Chicago, IL 60615 (773) 493-3743 \$ 1,500,000.00 NTE	Oakk Construction Co., Inc. Alex Nitchoff, President 7742 W. 61 <sup>st</sup> Place Summit, IL 60501 (773) 594-9363 \$ 1,500,000.00 NTE

<p>Coleman Development Corporation  Lester Coleman, President  7258 S. Halsted St.  Chicago, IL 60621  (773) 846-1110  \$ 1,500,000.00 NTE</p>	<p>Oakley Construction Co., Inc.  Anthony S. Kwateng, Vice-President  7815 S. Claremont Ave  Chicago, IL 60620  (773) 434-1616  \$ 1,500,000.00 NTE</p>
<p>Cordos Development &amp; Associates, LLC  Vinicius Cordos, Owner  10 W. Hubbard St., Suite 2B  Chicago, IL 60654  (312) 464-1788  \$ 1,500,000.00 NTE</p>	<p>Old Veteran Construction, Inc.  Jose Maldonado, President  10942 S. Halsted St.  Chicago, IL 60626  (773) 821-9000  \$ 1,500,000.00 NTE</p>
<p>Done Rite Construction Services, Incorporated  Martin Navarro, President  13039 S. Division St.  Blue Island, IL 60406  (708) 389-3302  \$ 1,500,000.00 NTE</p>	<p>Powers &amp; Sons Construction Company, Inc.  Mamon Powers, Jr., President  2636 W. 15<sup>th</sup> Ave.  Gary, IN 46404  (219) 949-3100  \$ 1,500,000.00 NTE</p>
<p>Friedler Construction Company  Eric Friedler, President  2525 N. Elston Ave., Suite 240 – D  Chicago, IL 60647  (773) 489-6067  \$ 1,500,000.00 NTE</p>	<p>Tropic Construction Corporation  Lalo Edery, COO  324 N. Wells St., 8<sup>th</sup> Floor  Chicago, IL 60654  (312) 602-6540  \$ 1,500,000.00 NTE</p>
<p>Gibraltar Construction Co. Inc.  Rodger Babbit , President  42 Hudson Street, Suite 107  Annapolis, MD 21401  (410) 573-1000  \$ 1,500,000.00 NTE</p>	<p>Waterside Development, LLC  Ken McClafferty, President  1423 W. Fillmore  Chicago, IL 60607  (312) 583-7346  \$ 1,500,000.00</p>
<p>Reserve capacity to be allocated among the  firms at the discretion of the Contracting  Officer as needed</p>	<p>\$ 53,000,000.00 NTE</p>
<p><b>AGGREGATE TOTAL FOR CONTRACTS  AND RESERVED CAPACITY FUND</b></p>	<p><b>\$ 80,000,000.00 NTE</b></p>

M/W/DBE Participation and Section 3: This is a Task Order Contract, therefore MBE/WBE/DBE and Section 3 opportunities will be met on each Task Order based on the total dollar value. Task Order affidavits are on file for each vendor.

## **GENERAL BACKGROUND**

The Chicago Housing Authority (“CHA”) has successfully utilized Indefinite Delivery, Indefinite Quantity (“IDIQ”) task order contractors throughout the Plan for Transformation (“Program”). This Program is vital to executing the numerous Capital Maintenance activities and the Americans with Disabilities Act (“ADA”)/504 retrofit projects. The CHA has determined that the IDIQ method of contracting is the most cost effective way to accomplish construction work in the areas of Capital Maintenance, ADA/504 Dwelling and Non-Dwelling retrofits, creation of new computer labs and the Property Investment Initiative (“PII”).

The IDIQ contracts will allow the CHA, under the Capital Maintenance Program, to bring its Senior Housing into compliance with the City of Chicago Life Safety ordinance (City of Chicago Municipal Code 13-196-203 thru 209), modified in September of 2011 to extend deadlines to January 1, 2015. The CHA’s goal is to comply with the ordinance by December of 2013. Projects will include the evaluation, repair and installation of new components, if necessary, to 2-way communication systems, smoke detectors, elevator recall systems, fire pumps, backup generators, automatic transfer switches, and fire sprinklers in trash chutes.

The Capital Maintenance Program also entails Scattered Sites maintenance projects. These include modifications for code compliance, various general building and unit repairs such as window, roofing, furnace, and air conditioning replacements, and kitchen and bath upgrades.

The CHA has spent significant dollars to bring its Dwelling portfolio in compliance with the more stringent ADA/504 requirements as negotiated under a Voluntary Compliance Agreement (“VCA”) between the CHA and the Department of Housing and Urban Development. To further support the VCA, Non-Dwelling properties must be brought into compliance.

Further, additional work will be required in support of the Property Investment Initiative (“PII”) which will utilize the services of general contractors to develop/rehab properties that are acquired under the program.

In determining the amount of funding which will be needed to cover the construction services for this work, the Capital Construction Department (“CCD”), the Office of Development Management (“ODM”) and Asset Management (“AM”) initially started with projected construction costs of \$79,230,056.00 over the next two (2) years. This amount was reached using industry standards to determine accuracy of construction costs for a project based on the value of work required. The projected construction costs are broken down as follows:

<b>Program</b>	<b>Amount</b>
Computer Labs	\$ 1,110,056.00
ADA/504 Dwelling Program	\$12,000,000.00
ADA/504 Non-Dwelling	\$14,500,000.00
Property Investment Initiative (PII)	\$13,320,000.00
Capital Maintenance Program	\$39,300,000.00
<b>Construction Total</b>	<b>\$79,230,056.00</b>



The amount of the \$79,230,056.00 was adjusted to the not-to-exceed amount of \$80,000,000.00.

The current IDIQ task order contracts expire as of March 31, 2012. Utilizing the IDIQ pool of contractors provides flexibility and speed of procurement while still benefiting from competitive bidding for the projects offered to the pool in the form of Requests for Services ("RFS"). It has also proven to be an opportunity for smaller and minority/women owned businesses to get experience bidding on, and winning, CHA projects.

To accomplish this requirement, the CHA solicited proposals from General Contractor ("GC") firms ("Respondents") to provide all necessary construction services related to modernization, capital maintenance and development activities. This includes, but is not limited to, management, supervision, labor, transportation, facilities, materials, tools, disposal, coordination of subcontractors, documentation and equipment, and all related activities necessary for the performance of projects at various dwelling and non-dwelling properties at various locations. This GC work will be delegated by the Capital Construction Department ("CCD"), the Office of Development Management ("ODM") and Asset Management ("AM") beginning in 2012. Task Orders under each contract will be assigned during a base term of two (2) years, with one (1) one-year renewal option.

### **PROCUREMENT HISTORY**

The CHA advertised Request for Proposal No. 11-00783 ("RFP") on August 3, 2011 for general contractor services to perform Indefinite Delivery, Indefinite Quantity Task Orders at various CHA Development locations. It was advertised in the Chicago Sun-Times, the Chicago Defender, El Dia, on the CHA website and on BuySpeed Online. The Pre-proposal meeting was held on August 12, 2011 and included a PowerPoint presentation on all submission requirements. Addendum No. 1 was issued on September 1, 2011 to respond to vendor Requests for Information. The proposals were received on September 12, 2012. Addendum No. 2 was later issued on December 23, 2011 to distribute the final General Construction Services Master Agreement.

Twenty-one (21) firms submitted proposals. Two (2) firms were deemed non-responsive due to insufficient submittal materials. The remaining nineteen (19) firms were evaluated by a three (3) member Evaluation Committee drawn from CCD, ODM and AM. The Department of Procurement and Contracts ("DPC") checked the firms for responsibility through a rigorous questionnaire jointly developed by CCD, DPC and the Legal Department. The cutoff point was set at a score of fifty (50) points. One (1) vendor scored significantly below fifty (50) points during the evaluation process, and has been eliminated from consideration. The eighteen (18) Respondents who scored above fifty (50) points were deemed responsive and responsible, and CCD recommends that they be awarded contracts.

To distribute work under the contracts, the eighteen (18) GCs will receive opportunities to bid on Task Orders via Requests for Services ("RFS"). Bids will be judged on the submittal materials and lump sum bid amounts. GCs that do outstanding work will be identified, and consideration will be given to increasing their maximum capacity through utilization of the reserve capacity set aside for this purpose. On an as-needed basis, the CHA's Contracting Officer may evaluate

requests from CCD to adjust the not-to-exceed values of these well performing vendors.

While each firm will have a guaranteed minimum of \$50,000.00, great performance will impact a firm's ability to be awarded additional tasks beyond the \$1,500,000.00 not-to-exceed amount initially assigned to each contract. The CHA's Contracting Officer will evaluate requests from CCD, ODM and AM to increase the not-to-exceed values of those GCs doing superior work. Underperforming firms will not be considered for these increases. In addition, the Contracting Officer will have the discretion to prohibit a vendor from participating in further Task Order opportunities under its contract should it show a pattern of failing to bid.

Based on the foregoing, it is in the best interest of the CHA to execute Indefinite Delivery, Indefinite Quantity Task Order contracts for Construction Services at various CHA dwelling and non-dwelling properties with All Chicago, Inc., Apex Construction Group, Blinderman Construction Co., Inc., Brown and Momen, Incorporated, Coleman Development Corporation, Cordos Development & Associates, Done Rite Construction Services, Incorporated, Friedler Construction Company, Gibraltar Construction Co. Inc., Koal Enterprises, Inc., Madison Construction Company, Maxwell Services Inc., Oakk Construction Co., Inc., Oakley Construction Co., Inc., Old Veteran Construction, Inc., Powers & Sons Construction Company, Inc., Tropic Construction Corporation and Waterside Development, LLC. Each contract will be for an amount not-to-exceed \$1,500,000.00 and a base term of two (2) years. The CHA may extend these Contracts for one (1) one-year renewal option, subject to approval by the CHA Board of Commissioners. Each contract will have a guaranteed minimum of \$50,000.00. An additional \$53,000,000.00 will be set aside as reserve capacity from which funds can be allocated to well performing firms at the discretion of the Contracting Officer. The total aggregate amount of the eighteen (18) contracts and the reserve capacity fund is not-to-exceed \$80,000,000.00.

These awards are subject to each Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

### **RESOLUTION NO. 2012-CHA-13**

**WHEREAS,** the Board of Commissioners has reviewed the Board Letter dated February 15, 2012, entitled "AUTHORIZATION TO EXECUTE INDEFINITE QUANTITY INDEFINITE DELIVERY TASK ORDER CONTRACTS WITH ALL CHICAGO, INC., APEX CONSTRUCTION GROUP, BLINDERMAN CONSTRUCTION CO., INC., BROWN AND MOMEN, INCORPORATED, COLEMAN DEVELOPMENT CORPORATION, CORDOS DEVELOPMENT & ASSOCIATES, DONE RITE CONSTRUCTION SERVICES, INCORPORATED, FRIEDLER CONSTRUCTION COMPANY, GIBRALTAR CONSTRUCTION CO. INC., KOAL ENTERPRISES, INC., MADISON CONSTRUCTION COMPANY, MAXWELL SERVICES INC., OAKK CONSTRUCTION CO., INC., OAKLEY CONSTRUCTION CO., INC., OLD VETERAN CONSTRUCTION, INC., POWERS & SONS CONSTRUCTION COMPANY, INC., TROPIC CONSTRUCTION CORPORATION AND WATERSIDE DEVELOPMENT, LLC FOR GENERAL CONTRACTOR SERVICES - CHA WIDE";

### **THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT** the Board of Commissioners ("Board") authorizes the Chief Executive Officer or his designee to award eighteen (18) Indefinite Delivery, Indefinite Quantity task order contracts for general contracting work at various CHA Senior, Family, Scattered-Site and Non-Dwelling Developments for an aggregate amount not-to-exceed \$80,000,000.00. Each contract will specify a minimum value of \$50,000.00, a maximum not-to-exceed value of \$1,500,000.00, and a base term of two (2) years plus one (1) one-year renewal option. The CHA may extend these Contracts for one (1) one-year renewal option, subject to approval by the CHA Board of Commissioners. The eighteen (18) contractors to be awarded contracts are as follows:

	Recommended Firms		Recommended Firms
1	All Chicago, Inc.	10	Koal Enterprises, Inc.
2	Apex Construction Group	11	Madison Construction Company
3	Blinderman Construction Co., Inc.	12	Maxwell Services Inc.
4	Brown and Momen, Incorporated	13	Oakk Construction Co., Inc.
5	Coleman Development Corporation	14	Oakley Construction Co., Inc.
6	Cordos Development & Associates	15	Old Veteran Construction, Inc.
7	Done Rite Construction Services, Incorporated	16	Powers & Sons Construction Company, Inc.
8	Friedler Construction Company	17	Tropic Construction Corporation
9	Gibraltar Construction Co. Inc.	18	Waterside Development, LLC

The Board further authorizes an additional \$53,000,000.00 in reserve capacity to be utilized at the discretion of the Contracting Officer. The Board authorizes the Contracting Officer to evaluate requests from the Capital Construction Department to utilize the reserve capacity funds to adjust the not-to-exceed values of well performing firms.

These awards are subject to each Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

